

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE BUREAU OF ALCOHOL, TOBACCO, & FIREARMS
AND THE NATIONAL TREASURY EMPLOYEES UNION
ON THE PAY DEMONSTRATION PROJECT FOR
DESIGNATED CRITICAL POSITIONS**

The Omnibus Consolidated and Emergency Supplemental Appropriations Act for Fiscal Year 1999, P.L. 105-277, 112 Stat. 2681, amending section 122 (P.L. 105-119) of the Fiscal Year 1998 Commerce, State, and Judiciary Appropriations Act, authorized the Secretary of the Treasury to establish a personnel management pay demonstration project. The Project is designed to: a) offer higher salaries outside the constricts of the General Schedule; b) provide pay incentives for job performance; c) reward employees for pursuing job-related certificates, licenses, and diplomas; and d) provide increased retention, relocation, and recruitment bonuses to Project employees. It is estimated that 250 technical and scientific positions within ATF will be covered by the Project.

As part of the understanding, NTEU has agreed to postpone any potential impact and implementation bargaining until after employees have been briefed on the plan and are afforded the opportunity to opt in or opt out. This agreement is conditioned on the following terms, mutually reached by the parties:

1. ATF will not implement the general pay increase withholding provision for employees who receive a performance evaluation rating of below the "Fully Successful" level.
2. The procedures for the grievance/arbitration process will mirror those found in Articles 34 & 35 of the Collective Bargaining Agreement between NTEU and ATF; however, the parties will jointly select a panel of five to seven arbitrators, with salary arbitration experience, to arbitrate ATF Pay Demonstration grievances.
3. That the probationary period for new hires, as well as current employees, will remain consistent with the one year government-wide probationary period.
4. If less than fifty (50) percent of eligible employees opt in, then ATF may elect not to implement the Project.
5. The following procedures will govern the review of the new position descriptions and critical elements for project eligible employees:
 - a. ATF Headquarters will send the initial draft position descriptions and critical elements to the NTEU National Office. ATF will also provide the NTEU National Office with copies of the current position descriptions and critical elements that will remain in effect for employees not participating in the

demonstration project;

b. Copies of the proposed critical elements and performance standards will be sent to project eligible employees for comments. Employees will be granted two (2) hours of administrative time to prepare comments. Employees will have fifteen (15) work days from receipt of the draft position descriptions and critical elements to fax their comments to Suzanne Brennan at the NTEU National Office.

c. Within a reasonable period of time (i.e., seven work days) from receipt of comments from the bargaining unit, NTEU will submit its recommendations to ATF.

d. Once ATF has considered the recommendations and made the necessary modifications, it will issue the final position descriptions and critical elements to all eligible employees and to NTEU.

e. Employees will have until January 21, 2000 or fifteen (15) work days after they receive the final position descriptions and critical elements, whichever date is later, to opt in or opt out of the Project.

6. In the event ATF receives authorization from Congress to extend the program, NTEU will be briefed and intends to exercise full, statutory collective bargaining rights.

7. Nothing in this agreement waives NTEU's rights to post-implementation bargaining.

8. A copy of this MOU will be provided to all Project-eligible bargaining unit employees within three (3) days following execution and Agency head review.

William T. Earle
for ATF

Suzanne Brennan
for NTEU

12/14/1999
date

12/13/1999
date